

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(GREENBELT DIVISION)**

ENTERED

DEC 27 2001

**U.S. BANKRUPTCY COURT
DISTRICT OF MARYLAND
GREENBELT**

In re:)	
)	Chapter 11
STARTEC GLOBAL COMMUNICATIONS)	
CORPORATION, et al.,)	Case No. 01-25013 (DK)
)	
Debtors.)	(Pending Joint Administration)

**INTERIM ORDER AUTHORIZING PAYMENT OF PREPETITION EMPLOYEE
COMPENSATION, BENEFITS, EXPENSES AND RELATED ITEMS**

Upon the Motion¹ of Startec Global Operating Company ("Startec Operating"), as debtor and debtor in possession (collectively, the "Debtor"), for entry of an order authorizing, but not directing, (A) the Debtor to (i) pay certain prepetition wages, salaries, commissions, withholding taxes, reimbursable employee expenses and other compensation and amounts withheld from such compensation; (ii) pay prepetition amounts owed Encomisa for Jose Alvarez's services as a senior operations consultant; (iii) honor the employees' use of accrued prepetition leave time; (iv) pay prepetition claims with respect to employee benefit plans; and (v) reimburse its employees for any bank fees charged employees in relation to checks that do not clear the banks, and to issue new checks in the same amounts to replace dishonored checks; and (B) the applicable banks and other financial institutions to receive, process, honor and pay all checks presented for payment and to honor all electronic payment requests made or authorized by Debtor related to the foregoing (the "Motion"); and it appearing that the Court has jurisdiction over this matter and the relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a

¹ All capitalized terms used in this Order have the meanings given to them in the Motion unless otherwise provided in this Order.

35

11-1

core proceeding pursuant to 28 U.S.C. § 157(b); and due notice and sufficient notice of the Motion having been given under the circumstances; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtor, its estate and all parties in interest; and after due deliberation and sufficient cause appearing therefore; and any objections to the relief sought herein having been withdrawn or overruled, it is hereby

(1) ORDERED that, the Motion is granted (on an interim basis, subject to paragraph 4 of this Order); and it is further

(2) ORDERED that, the Debtor shall be, and hereby is, authorized, but not directed, to (i) pay prepetition wages, salaries, commissions, withholding taxes, reimbursable Employee expenses and other compensation and amounts withheld from such compensation to Employees; (ii) pay prepetition amounts owed Encomisa for Jose Alvarez's services as a senior operations consultant; (iii) honor the Employees' use of accrued but unused prepetition leave time; (iv) pay prepetition claims with respect to benefits arising under the Debtor's employee benefits plans and policies, including without limitation medical, dental, vision, prescription drug, life insurance, accidental death and dismemberment, long-term and short-term disability insurance, workers' compensation, 401(k), tuition-reimbursement, and flexible-spending accounts; (v) pay all other prepetition claims related to Employee compensation and benefits; and (vi) reimburse its Employees for any bank fees charged

Employees in relation to checks that do not clear the banks, and to issue new checks in the same amounts to replace dishonored checks; provided that, until such time as this Order becomes final in accordance with paragraph 4 of this Order, the Debtor shall not be authorized to make any such payment of a prepetition claim pursuant to this paragraph 2 of this Order with respect to any particular Employee (or with respect to Encomisa and/or Mr. Alvarez taken as a whole) to the extent such payment, when taken together with all other aggregate postpetition payments of prepetition claims made with respect to such Employee

Not to include indemnification claims described in paragraph 44 of the motion

(6) ORDERED that, all applicable banks and other financial institutions shall be, and hereby are, authorized in accordance with the Debtor's direction to receive, process, honor and pay any and all checks drawn on the Debtor's payroll or general disbursement accounts related to the prepetition amounts described in paragraph 2 for which payment has been authorized hereby, whether such checks were presented prior to or after the Petition Date, and to honor all electronic payment requests made or authorized by Debtor related to the prepetition amounts described in paragraph 2, including electronic payments by automatic debits authorized by the Debtor related to the prepetition amounts described in paragraph 2 for which payment has been authorized hereby, provided only that sufficient funds are available in the applicable accounts to make such payments; and it is further

(7) ORDERED that, ADP shall be and hereby is authorized in accordance with the Debtor's direction to continue the withdrawal of withholding taxes and the payment of these taxes to the state and federal taxing authorities as required; and it is further

(8) ORDERED that, notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall constitute, nor is it intended to constitute, an assumption of any executory contract or unexpired lease under Section 365 of the Bankruptcy Code, and it is further

(9) ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: December 26, 2001
Greenbelt, Maryland


UNITED STATES BANKRUPTCY JUDGE

RECEIVED W. 3. 12

10/2

(or with respect to Encomisa and/or Mr. Alvarez taken as a whole) pursuant to this paragraph 2 of this Order, would exceed \$4650 per recipient; and it is further

(3) ORDERED that, any party in interest objecting to the entry of this Order on a final basis shall file a written objection ("Objection") on or before January 15, 2002, (the "Objection Deadline") and serve such Objection on or before the Objection Deadline upon the following parties: (i) Philip D. Anker, Esq., Wilmer, Cutler & Pickering, 2445 M Street, N.W., Washington, D.C. 20037; (ii) Daniel M. Litt, Esq., Dickstein, Shapiro, Morin & Oshinsky, LLP, 2101 L Street, N.W., Washington, D.C. 20037-1526; (iii) Peter S. Partee, Esq., Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, VA 23219-4074; (iv) Paul S. Silverstein, Esq., Andrews & Kurth, 805 Third Avenue, New York, NY 10022; (v) Nancy V. Alquist, Ballard Spahr & Ingersoll L.L.P., 300 East Lombard St., Suite 1900, Baltimore, MD 21202; and (vi) Julie Mack, Esq., Office of the United States Trustee for the District of Maryland, 6305 Ivy Lane, Suite 600, Greenbelt, MD 20770; and it is further

(4) ORDERED that, if no Objection is timely filed and served in accordance with paragraph 3 of this Order, this Order shall become final immediately upon expiration of the Objection Deadline, without requiring any further notice or action by the Court, the Debtors or any other party in interest, and the limit of \$4650 per recipient specified in paragraph 2 shall no longer apply; and it is further

(5) ORDERED that if one or more Objections are timely filed and served in accordance with paragraph 3 of this Order, such Objection or Objections may be decided with or without a hearing or further notice, as the Court deems appropriate, and this Order shall continue in full force and effect on an interim basis until further Order of the Court providing otherwise; and it is further

Copies to: Philip D. Anker
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, D.C. 20037-1420

Peter S. Partee
Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219-4074

Paul S. Silverstein
Andrews & Kurth
805 Third Avenue
New York, NY 10022

Daniel M. Litt
Dickstein, Shapiro, Morin & Oshinsky, LLP
2101 L Street, N.W.
Washington, D.C. 20037-1526

Patricia Welling
First Union Bank
800 Main Street
Richmond, VA 23219

Julie Mack
Office of U.S. Trustee
6305 Ivy Lane, Suite 600
Greenbelt, MD 20770